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Union flips on sector pay deals

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THE Rudd Government has issued a blunt warning that its new workplace laws will ban industry-wide wage deals, amid business claims it opens the way for pattern bargaining by unions.

Employers fear Labor's proposed bargaining laws for low-paid workers are an entree to pattern bargaining, in which unions seek to impose a uniform pay deal across entire industries.

Julia Gillard yesterday slapped down the union representing childcare, aged care, and hotel workers after its leader initially said the union would use the new laws to seek industry-wide pay settlements for those employees.

Louise Tarrant, the national secretary of the Liquor Hospitality and Miscellaneous Union, said the Fair Work bill would be a failure if it did not deliver higher wages for low-paid workers.

Ms Tarrant said the bill "gives us the facility to try to get some sector-wide solutions". "There is a very compelling logic as to why you want an industry-wide settlement (in industries such as childcare, cleaning, hotels, and security)," she told *The Australian*.

But late yesterday Ms Tarrant retracted the comments, saying she had consulted union lawyers who told her the bill would not enable industry-wide settlements.

In a statement to *The Australian*, Ms Gillard said: "The union has completely misunderstood the policy intent and the legal framework of the low-paid bargaining stream. It certainly does not provide for, and nor is it intended to provide, the kind of whole-of-

industry agreement-making that is suggested."

Ms Gillard said it was the modern award that prescribed common minimum conditions across an industry.

"The primary focus of the act is agreement-making at the enterprise level, as this has been demonstrated to deliver real wage increases that are offset by productivity gains to the employer, tailored to the needs of the particular enterprise," she said.

"The policy behind the low-paid stream is to provide an efficient means of helping to facilitate bargaining for low-paid employees and their employers who have not yet received the benefits of bargaining."

Scott Barklamb, the Australian Chamber of Commerce and Industry's workplace policy director, said the low-paid bargaining stream "certainly looks like an entree to pattern bargaining".

"Pattern bargaining has a legal meaning under the act," he said. "We understand there are still some prohibitions there but if you talk about it as a concept, as it might be understood by the man on the street, there is certainly a risk this is going to encourage pattern behaviour and strategies."

Bill Healey, chief executive of the Australian Hotels Association, stepped up his attack on the bill yesterday, claiming it marked a return to centralised wage-fixing and would "give everyone in the old IR club a free kick".

Andrew Stewart, professor of industrial law at Adelaide University, said unions would run into legal trouble if they tried to coordinate strikes across a range of worksites in support of claims.